

# Memorandum

**To:** CHAIR and COMMISSIONERS

**Date:** August 11-12, 2010

**From:** BIMLA G. RHINEHART  
Executive Director

**Reference No.** 4.14  
**Action**

**Ref:** **2010 -11 State Transportation Improvement Program (STIP) Transit Allocation Plan**

## ISSUE

Staff estimates that approximately \$30 million in STIP transit projects programmed for 2010-11 (including projects delivered in 2009-10 that could not be allocated due to lack of funding) cannot be allocated this fiscal year. This estimate is based on the estimated Public Transportation Account (PTA) allocation capacity (\$225 million) versus the PTA eligible projects programmed in 2010-11 (nearly \$260 million allocation demand).

In addition to the estimated current year allocation capacity shortfall, the recent tax swap legislation has largely eliminated future PTA capacity. Therefore, transit projects programmed in future years (2011-12 through 2014-15) are likely to be allocated from federal or State Highway Account (SHA) funds, assuming those funds are appropriated and scheduled correctly in the state budget, have capacity available, and the transit projects are eligible for those funds.

## RECOMMENDATION

Staff recommends that the Commission approve limited restrictions on 2010-11 transit allocations as follows:

- No advancements,
- No allocations to projects that entail future PTA commitments
  - Requests for current year preconstruction allocations must identify potential (non-STIP) sources of funds through construction, and
- First come, first serve for all others.

## BACKGROUND

In recent years, due to unstable funding, the Commission has frequently found it necessary to adopt allocation plans to meter the allocation of limited resources. Recent allocation plans have been mode neutral; however PTA funds can only be used for transit projects, so this plan is for PTA eligible transit (rail, bus, etc.) projects only. Staff estimates there will be sufficient funding for nearly all 2010-11 highway, local road and TE projects, so no allocation plan is recommended for those SHA, federal and STIP bond funded projects at this time. Although allocation capacity remains, the SHA and federal fund capacity has been exhausted with August allocations; therefore, future allocations will be largely dependent on bond sales.